GOVERNMENT OF INDIA
MICRO, SMALL AND MEDIUM ENTERPRISES
LOK SABHA

UNSTARRED QUESTION NO:1224
ANSWERED ON:03.03.2011
FINANCIAL SUPPORT TO KHADI SOCIETIES OF ORISSA
Das Shri Bhakta Charan

Will the Minister of MICRO, SMALL AND MEDIUM ENTERPRISES be pleased to state:

(a) whether the Government proposes to extend financial support to khadi societies in Orissa on the line of North Eastern States, as Orissa is prone to Cyclone, flood and drought and suffered irreparable damage in khadi production;

(b) if so, the details thereof; and

(c) if not, the reasons therefor?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES (SHRI VIRBHADRA SINGH)

(a), (b) & (c) There is no specific proposal to extend special financial support to Khadi sector in Orissa as the existing schemes have the capacity to cater to the requirements. The Ministry of Micro, Small and Medium Enterprises has been facilitating promotion and development of Khadi in the country including Orissa through various schemes of financial assistance. The specific schemes/programmes undertaken by the Ministry through Khadi and Village Industries Commission (KVIC) for the development of khadi include (i) 'Workshed Scheme for Khadi Artisans' for providing assistance for construction of worksheds for better work environment, (ii) 'Scheme for enhancing productivity & competitiveness of Khadi Industries and Artisans' to assist khadi institutions to make khadi industry more competitive with more market driven and profitable production by replacement of obsolete old machinery and equipment,'(iii) 'Strengthening Infrastructure of existing Weak Khadi Institutions and Assistance for Marketing Infrastructure' envisaging renovation of khadi sales outlets and providing assistance for strengthening infrastructure of existing 100 weak selected institutions,(iv) Incentivize production and sale of khadi and Polyvastra by introducing the new scheme of Market Development Assistance (MDA) with assistance to khadi institution @ 20% of the value of production to be shared among spinners/weavers, producing institutions and selling institutions in the ratio 25:30:45. (v) Government of India has tied up funding from Asian Development Bank (ADB) to the tune of US $ 150 million (around Rs 700 crore) to re-vitalise the khadi sector by implementing Khadi Reforms and Development Programme (KRDP) through khadi institutions over a period of three years from 2009-10
(vi)'Scheme of Fund for Regeneration of Traditional Industries (SFURTI) for development of clusters inter alia in khadi and (vii) 'Product Development, Design Intervention & Packaging (PRODIP) for improved design and packaging of khadi garments'.

In addition to the above, four khadi institutions from Orissa have been tentatively identified by KVIC for extending benefits under KRDP with a view to re-vitalizing khadi sector in Orissa.